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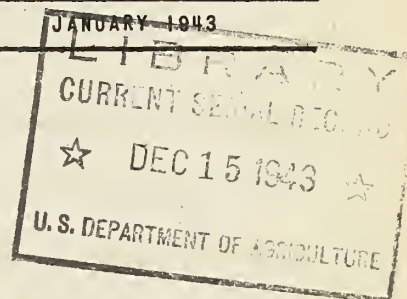
THE Marketing and Transportation SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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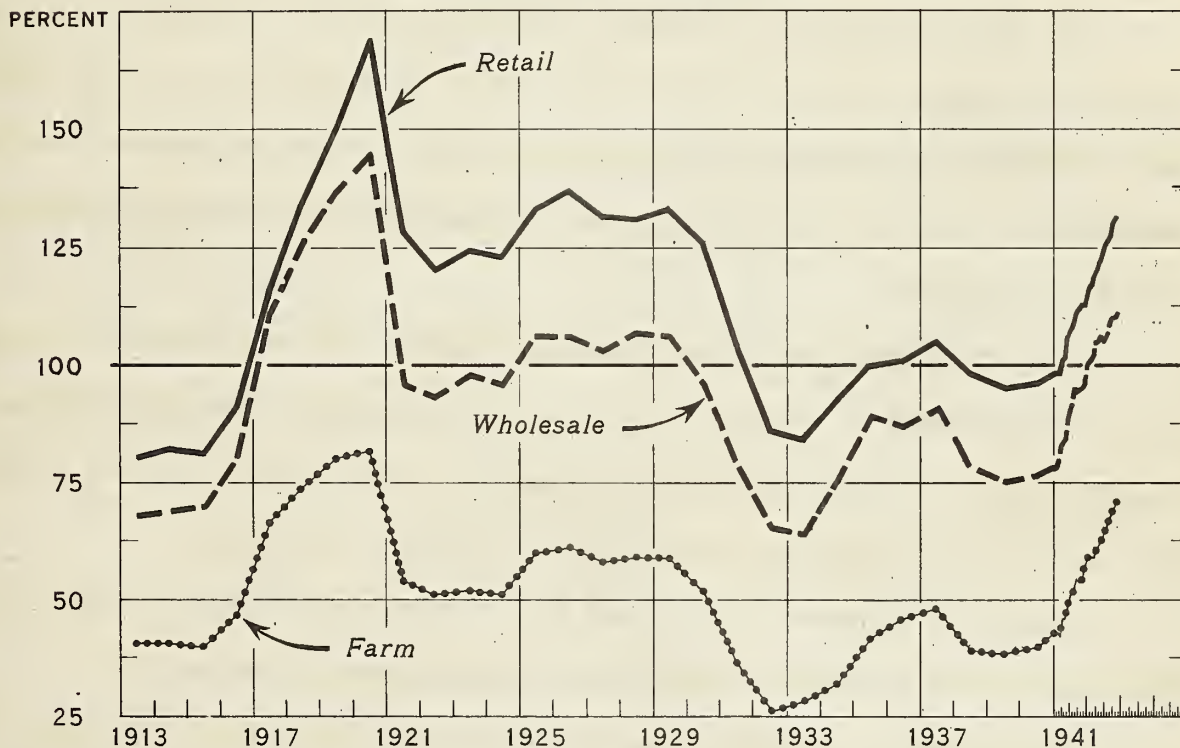
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In this issue:
ANNUAL PRICE SPREAD DATA
FOR 1941 AND 1942



FOODS: RETAIL, WHOLESALE, AND FARM PRICES, UNITED STATES, 1913-42

INDEX NUMBERS (1935-39 RETAIL=100)



U. S. DEPARTMENT OF AGRICULTURE

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BUREAU OF AGRICULTURAL ECONOMICS

This chart shows price trends for food products at the farm, wholesale and retail levels of marketing. The three series do not represent identical food items at each level and so are not strictly comparable. The spreads between series reflect the trends in retailer's margins and in marketing charges between the farmer and the retailer. With retail food prices in late 1942 at 1929 levels the decrease in the retailer's margin below 1929 appears to have exceeded that in the farm-wholesale margin.

THE MARKETING AND TRANSPORTATION SITUATION

January 1943

SUMMARY

Charges for marketing farm food products showed a decrease of 1 percent from mid-November to mid-December, while retail food prices rose 1 percent and payments to farmers for equivalent produce advanced 3 percent.

For calendar 1942, marketing charges for farm food products averaged nearly 6 percent above those in 1941, but remained below the pre-war 1935-39 average. The 1942 retail prices of these products were 20 percent above pre-war levels, and prices received by farmers were 49 percent above.

As administrator of the wartime food programs of the Nation, Secretary Wickard has issued several orders dealing with the marketing of foods. Some of these, directing the elimination of certain services in the distribution of bread and milk, are designed to offset higher raw material costs without increasing prices to consumers.

The Great Lakes and inland waterways may be able to relieve railroads and trucks of a portion of the enormous prospective volume of freight traffic. Even if little shift is made in hauling of farm products, agriculture would benefit through release of rail and truck facilities by other products.

Livestock movement has not yet been transferred to any appreciable extent from truck to rail carriers, according to information covering 1942.

The Office of Price Administration has extended specific dollars and cents maximum prices and distributors' markups to certain wheat mill products, fresh citrus, new southern potatoes and important dairy products. Corn prices were frozen in local and central markets on January 13.

---- January 28, 1943

FARM-RETAIL PRICE SPREADS: DECEMBER 1942 AND ANNUAL REVIEW

Food prices rise, marketing charges decline into December

Retail cost to consumers of quantities of domestic farm food products representing annual purchases per city family amounted to \$423 in December 1942, more than 1 percent above the cost of \$418 in November. During the month, payments to farmers for equivalent quantities of farm products rose 3 percent, from \$227 in November to \$234 in December. Marketing charges, as measured by the spread between payments to farmers and retail cost to consumers, dropped 1 percent from \$191 in November to \$189 in December.

The farmer's share of the consumers' food dollar rose near record highs at 55 cents in December, from a share of 54 cents in November and for the three previous months. The farmer's share was 52 cents in December 1941, 48 cents averaged over the year 1941, and 42 cents averaged for the pre-war 1935-39 period.

Income payments per family continued to rise as rapidly as retail food costs through December of 1942, but a larger share of family income payments must be allotted to personal taxes during 1943 than was necessary heretofore. Disposable income remaining for purchase of goods and services probably will not continue to rise so rapidly as during 1941 and 1942.

Uncontrolled food prices advance sharply

Retail food prices advanced by 1.2 percent from mid-November to mid-December, according to reports of the U. S. Bureau of Labor Statistics. The price rise amounted to one-half of one percent for food items under maximum price regulation by the OPA and 7.0 percent for items uncontrolled on December 15. The uncontrolled group among items priced at mid-December included fish, fresh truck crops, sweet-potatoes, apples, and peanut butter. These accounted for over 10 percent of total food expenditures. Maximum prices for peanut butter were established in late December. Retail price advances from November to December amounted to 12 percent for sweetpotatoes and 6 percent for apples.

Prices received by farmers at highest level since 1920

The average level of prices received by farmers for all food, fiber and other farm products rose 5 percent from November to December, while prices of food products for human consumption advanced 3 percent. Prices of meat animals dropped slightly, but not to the extent of the normal seasonal decrease. Truck crop prices rose more than 20 percent and grains were up 6 percent, while prices of dairy and poultry products showed significant increases. Egg prices continued to rise contra-seasonally.

Annual Review: Price spreads in 1942

Farm-retail price spreads measuring marketing charges for food products in 1942 have generally been abnormally low in relation to food price levels. Table 2 shows 1935-39 averages and annual averages for 1941 and 1942 of retail price, equivalent farm value, farm-retail margins, and the farmer's share of retail price, covering most important farm food products. The 1942 average margin for 58 foods combined in quantities representing annual food purchases per family was \$188, up \$10 from the 1941 average of \$178 which was the lowest since the depression level of 1933. The 1942 margin remained below the 1935-39 pre-war average, although farm and retail prices had risen sharply from pre-war levels.

Retail cost to consumers of the 58 foods rose by \$66, or 20 percent, from 1935-39 to 1942. All of this increase was passed back to farmers, with payments for food products at the farm level rising \$69 or 49 percent during the same period.

A number of seasonal items are listed in Table 2 for which monthly farm price data have not been available, including truck crops, canned fruits and vegetables, prunes, beet sugar, and cane sugar.

The farmer's share of retail price increased for most foods from 1941 to 1942, but the share declined for cabbage, onions, and canned tomatoes, and showed no change for hens and spinach.

Marketing charges as measured by the margin rose from 1941 to 1942 for most food items. The more pronounced increases occurred in those items listed above for which the farmer's share did not rise.

Margins in 1942 were higher than the 1935-39 pre-war average for several important products, although they averaged lower for all foods. Pronounced increases in margins over pre-war are shown for dairy products, hens, eggs, several fresh fruits and vegetables, beet sugar, cane sugar, and peanut butter. More moderate increases occurred in canned fruits and vegetables except canned peas, where the margin declined slightly below pre-war.

The farmer's share of the food dollar in 1943

Retail food prices probably will continue to edge upward during the next few months. Revision of OPA ceilings to reflect higher operating and material costs of processors and to establish specific community dollars-and-cents ceilings for distributors will allow some slack for slight advances in average prices although some individual dealer ceilings may be reduced. Generally the farmer's share of the retail food dollar rises with advancing price levels so that on the basis of this factor the share should increase into 1943. On the other hand, there may have been some lag in the reflection of higher costs of labor and other factors into marketing operations and charges, which may take effect during 1943, thereby widening the marketing margin and operating to reduce the farmer's share. It seems probable that the farmer's share will average at least as high as in 1942.

RECENT DEVELOPMENTS IN MARKETING AND TRANSPORTATION

The shift from truck to rail for transporting livestock has been small

In the transportation of livestock, only a very small shift from truck to rail is apparent in recent months. Rail shipments have increased considerably, and from October through December 1942 the number of railroad stock cars loaded was about 19 percent greater than the number loaded during the corresponding months of 1941. However, the volume of livestock hauled by truck in these months of 1942 compared with 1941 increased approximately the same percentage as the volume hauled by rail.

The increase in the number of stock cars loaded may not give an accurate picture of the increase in the volume of livestock transported by rail. It fails to account for the difference in the average weight of the load, which is primarily affected by the proportions of the cars that are double-deck and single-deck. Double-deck cars probably were used to a relatively greater extent for hogs and sheep during the last three months of 1942 than they were during the corresponding months of 1941. Records for the fourth quarter of 1942 are yet not available, but the percentages of cars loaded with hogs and sheep that were double-deck during the third quarter of the year were slightly greater than for the corresponding quarter in 1941. However, the proportion of double-deck loads for all live-

stock combined during the third quarter was not greater in 1942 than in 1941, because single-deck loadings of cattle and calves were relatively high. If the transportation of livestock were measured on a ton-mile basis, a relatively greater increase in rail transportation apparently would be shown than when transportation is measured on a carlot basis. There are strong indications that the shifts made from truck to rail have applied more to long hauls than to short ones.

Although corresponding information on the transportation of livestock by truck is not available, analysis of railroad stock car loadings and total marketings indicates that truck transportation of livestock in the fourth quarter of 1942 must have been considerably greater than in the fourth quarter of 1941. The rate of increase in truck transportation, however, apparently was not so great in the quarter as that for rail transportation. Trucks are still available for handling livestock. Marketing arrangements apparently make it more convenient to continue use of trucks than to transport by rail. As trucking facilities decrease rail transportation can reasonably be expected to increase.

As regards railroad stock cars, there is opportunity for considerable increase in rail shipments. This is particularly true during the period from December to September. The average number of stock cars loaded per week in December 1942 was only two-thirds as many as during October, the month of heaviest loading. Normally, the volume of shipments by rail during the first 8 months of the year are not greatly different from the volume in December.

Recent developments in price control

During the past month the Office of Price Administration has made further progress toward its goal of replacing individual ceilings with uniform dollars-and-cents prices and specific percentage markups over net costs.

Wheat flour, semolina, and farina were given dollars-and-cents ceiling prices when sold by millers and blenders. Wholesalers and retailers were required to calculate new ceiling prices for flour by using specified markups over costs. These ceilings are thought to be low enough to allow bakers a profit upon bread sold at the present ceiling prices.

Dollars-and-cents ceiling prices, f.o.b. packing house, were established for citrus fruits, together with specific markups for brokers, auctions, terminal sellers, wholesalers, and retailers. Maximum shipping point prices were fixed for new potatoes grown in certain counties in Florida and Texas. These prices will remain in effect until March 31, 1943.

Manufacturers, wholesalers, and retailers of cheese, butter, evaporated milk, and dry skim milk were given dollars-and-cents ceiling prices and fixed markups. Specific maximum prices and markups were also established for sugar-cane sirup.

The Office of Price Administration added poultry, corn meal, canned citrus fruits and juices, pure maple sirup, and bananas to the list of foods for which ceiling prices at wholesale and retail must be determined by specific markups over net costs.

Corn prices were recently brought under control for the first time. Effective January 12, prices on all exchanges and in every cash and local market were frozen, generally at the highest levels reached on January 11, 1943. Ceiling prices in central cash markets and prices of corn futures on the exchanges at Chicago, Kansas City, and Minneapolis were set at the highest levels reached on January 11. Corn prices were brought under control to prevent further advances which might decrease the production of livestock. For the same reason the prices

of mixed feeds for poultry and livestock were recently brought under control.

Ceilings on the prices of shelled peanuts, salted peanuts, and peanut butter when sold by processors, wholesalers, and retailers were established at each seller's peak prices during the period December 19-22, 1942. The prices of these products have been uncontrolled since last July 29, when they were specifically excluded from the provisions of the General Maximum Price Regulation. At the time price control was reestablished these prices were advancing rapidly. The individual ceilings are temporary and will be replaced with dollars-and-cents prices and fixed markups.

Bread baking and selling practices regulated by Secretary Wickard

An order issued by Secretary Wickard on December 29, effective January 18, directed bakers to simplify operations connected with the baking and selling of bread and rolls and established a limited range in the quantities of certain ingredients which may be used in the bread formula. It was estimated that savings achieved by reduction of services would offset higher flour costs recently allowed by the OPA, so that retail bread prices would not have to rise.

The order prohibits stale bread returns, consignment sales, slicing for home consumption and double wrapping.

Bakers are directed to use a bread formula containing from 3 to 4 pounds of milk solids, not more than 2 pounds of shortening, and not more than 4 pounds of sugar per 100 pounds of flour. It has been estimated from bakers' reports to the Census of Manufacturers averaged for the United States that in 1939 about $2\frac{1}{2}$ pounds of milk solids were used per 100 pounds of flour. It is proposed that bakers be required later to increase the milk solids to as much as 6 pounds in order to produce bread of higher nutritive value. Each additional pound of milk solids used in the bread formula adds more than 2 pounds in baked product. In most parts of the world except the United States, bread is made with little or no milk solids, and a special amendment to the bread order issued January 14 recognizes that French, Italian, Vienna, and similar breads need not use milk solids and permits such processing to continue for 90 days.

Other orders of Secretary Wickard affecting food marketing

Citrus.— Processors were required (January 5) to set aside for war requirements all production of processed citrus juices, except unconcentrated grapefruit juice, and no part may be sold in the civilian market. Unconcentrated grapefruit juice may not be sold during January, February, or March of 1943. A later order established a program for supplying processing plants with adequate supplies of fruit to maintain operation at capacity.

Dairy products.— Manufacturers of creamery butter were directed to reserve 30 percent of their monthly production for direct sales to United States Government agencies. A further cut in ice cream production is required by an order restricting producers to 65 percent of milk product ingredients used during December 1941 to November 1942. Delivery of milk in containers of less than a quart was prohibited except to establishments where it is consumed on the premises.

WATERWAY FREIGHTING TO RELIEVE RAIL AND TRUCK FACILITIES

The increasing burden of war traffic, which is taxing and may eventually over-tax the capacity of the country's railroads and trucks, is reviving interest in water transportation. Agricultural products accounted for 17 percent of total railroad freight revenue in 1941.

Prior to the advent of the railroads, the waterways were the cheapest means of transportation in this country. There was a little interurban movement in animal-drawn wagons on generally very poor roads, but commerce naturally expanded along navigable streams, and agricultural and industrial activity was carried on in the vicinity of the waterways. The geographical pattern of urban and industrial development in the United States has been greatly influenced by this circumstance.

The development of the railroads later changed this trend, and population and enterprise tended to settle where supplies of raw materials were first discovered, whether or not these supplies were located on or near the streams. The industries have frequently continued to concentrate in those localities long after the exhaustion of nearby deposits or resources and the discovery of new supplies or substitutes in distant areas. As a result, many regions which are richest in natural resources are now remote from some of the districts where they are processed or used for consumption. What is more, these sources are often remote from waterways and depend largely if not exclusively upon land transportation for movement. It is difficult or impossible to shift this traffic over to the waterways.

However, the original influence of waterways in locating industrial facilities persists and much commerce still follows the lines of the waterways, whether carried by water lines or other modes of transportation. Where this traffic is made up of bulk commodities in their raw or semi-finished state, or durable goods not requiring fast movement, the waterways in this time of emergency offer a means of easing some of the load on other overburdened transportation facilities. The commodities in question include coal and coke, iron ore, iron and steel, petroleum and its products, logs and lumber, sand and gravel, stone, and grain. These commodities move in heavy or bulky loads, do not require fast delivery, are not readily susceptible to damage or deterioration from delay in transit or from adverse weather, and are not dependent upon railroad or truck stand-by service. They can be transported on waterways during open seasons, if necessary, and can be stored or placed in stock piles during the seasons of closed navigation.

The Great Lakes

The chief system of inland water transportation in the United States is the Great Lakes. Until the connecting channels were deepened, obstructions removed, and harbors improved, the Great Lakes were not adequate for through navigation of commercial importance. However, with the opening of the Welland Canal in 1829 and the canal at the "Soo" in 1855, commerce on the Great Lakes developed rapidly. Today the gross tonnage of vessels of American registry on the Great Lakes exceeds 2.5 million tons, and these ships carry about 15 percent of the ton miles of the country. (Table 1)

Most of the traffic on the Great Lakes is bulky and moves long distances. The chief items of traffic are grain, iron ore, and coal, which are hauled on the average about 800 miles. United States commerce on the Great Lakes amounted to 135 million tons in 1939. The bulk of the wheat crop of Canada and the northern States of this country normally passes through the "Soo" on its way to the Atlantic seaboard. During 1942, however, United States wheat shipments from the head of the Lakes were embargoed because of the pressing need for vessel space to transport iron ore. This tonnage was diverted to the railroads. It probably will be necessary to continue this arrangement in 1943, in which case the ships on the Great Lakes will not be in a position to ease the burden on our railroads by taking over a portion of the agricultural traffic moving eastward. However, the traffic on the Lakes is unbalanced, with empty space available on the westward movement. It may be possible to employ this unused capacity for easing some of the load of overburdened railroads and trucks.

Table 1.- Percentage distribution of total revenue ton miles for United States traffic, 1926 and 1939

Kind of carrier	Percent of total revenue ton miles	
	1926	1939
Railways, steam and electric	75.6	61.9
Trucks (intercity) <u>1/</u>	3.9	8.5
Great Lakes	15.2	14.1
Inland waterways	1.6	3.6
Oil pipe lines	3.7	11.9
Air carriers	<u>2/</u>	<u>2/</u>
Total	100.0	100.0

1/ The percentages shown for trucks include both for-hire and private trucks.

2/ Less than 1 percent.

Source: "Inland Water Transport" (Prepared under the direction of Julian L. Schley); Transportation and National Policy, National Resources Planning Board, Part II, Section IV, p. 434.

The Mississippi River System

The second most important system of inland waterway transportation is the Mississippi River and its tributaries. Until the exportation of grain was interrupted by the virtual closing of foreign markets some years ago, the grain traffic was of importance on the Mississippi River System. Midwest grain was then consigned to the Gulf ports for transshipment in coastwise or overseas vessels. Later, however, most of the grain traffic on the system has been domestic movements to inland river ports to be milled for domestic consumption. Facilities which have developed to care for export traffic no doubt have excess capacity which could help ease the load on railroads and trucks through diversion.

The traffic on the Mississippi River system is very unbalanced, about 80 percent moving upstream and only 20 percent downstream. Hence there is a large amount of unused barge capacity available for downstream carriage. What agricultural products, apart from grain and grain products, might be shipped in this manner? Soybeans can be sent downstream for storage or processing, perhaps later to be moved to the domestic or overseas points of consumption by water. Doubtless some canned foods could be moved by barges if afforded proper protection against heat or cold. Southbound traffic in agricultural implements probably could be expanded.

The prevailing movement of agricultural products other than grain on the Mississippi system probably will continue to be northbound rather than southbound. To some extent at least coffee, sugar, sirup, molasses, and cotton linters could be barged northward in increased amounts. Facilities are already available to handle these products and scales of line-haul and terminal charges are in force. Existing facilities probably are capable of hauling additional traffic upstream, although the extent of unused northbound capacity is far less than the southbound.

Other Inland Waterways

Other inland waterways are available in addition to the Great Lakes and the Mississippi River system, but together they haul less than 20 percent of the total tonnage transported on inland waterways, exclusive of the Great Lakes. All the inland waterways together, apart from the Great Lakes, haul only about 4 percent of the total ton miles of the United States. (Table 1) The Atlantic Coast rivers, canals, and intracoastal canal probably offer a supplementary means for hauling additional quantities of petroleum and petroleum products, sand and gravel, stone, and coal and coke. The Gulf Coast rivers and the intracoastal canal likewise can carry, if necessary, more petroleum products and logs and lumber and probably a little more cotton and grain than now. The Pacific coast rivers perhaps could take on more logs and lumber and perhaps a little grain.

Conclusions

The inland waterways apparently can play only a minor role in relieving the railroads and trucks of their heavy burdens in carrying agricultural traffic. But they can help some and may need to be utilized wherever possible, not only for agricultural products but also for other raw materials and for manufactured products. Shifting some non-agricultural traffic to waterways from rails and trucks would expand the land traffic facilities available for transportation of agricultural commodities.

Table 2 .- Farm-to-retail price spreads for food products, 1935-39 average and annual averages 1941 and 1942

Retail commodity	Unit		Farm value			Retail value			Actual margin			Farm value as a percentage of retail value		
	Farm equivalent	Retail	1935-39 average			1941 1942 1935-39 average			1941 1942 1935-39 average			1941 1942 1935-39 average		
			Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Percent	Percent	Percent
Pork products	1.90 lb. live hog	1 lb. composite	15.7	17.4	24.9	25.3	23.8	29.2	9.6	6.4	4.3	62	73	85
Lamb products	2.16 lb. live lamb	1 lb. composite	16.2	20.4	24.9	27.2	28.2	32.8	11.0	7.8	7.9	60	72	76
Dairy products	100 lb. milk	Composite products from 100 lb. milk	146.0	177.0	208.0	324.0	361.0	406.0	178.0	184.0	198.0	45	49	51
Hens	1.11 lb. live hen	1 lb. dressed	16.5	17.3	20.9	31.7	32.6	39.1	15.2	15.3	18.2	52	53	53
Eggs	1 dozen	1 dozen	21.7	25.0	31.4	36.0	39.7	48.4	14.3	14.7	17.0	60	63	65
Bread, white	.97 lb. wheat	1 lb.	1.3	1.4	1.6	8.2	8.0	8.6	6.9	6.6	7.0	16	18	19
Bread, rye	.39 lb. rye and .64 lb. wheat	1 lb.	1.3	1.2	1.5	9.1	8.7	9.2	7.8	7.5	7.7	14	14	16
Bread, whole wheat	.92 lb. wheat	1 lb.	1.3	1.3	1.6	9.3	9.4	9.9	8.0	8.1	8.3	14	14	16
Soda crackers	1.085 lb. wheat	1 lb.	1.5	1.5	1.8	16.9	15.0	16.4	15.4	13.5	14.6	9	10	11
Fleur, white	1.41 lb. wheat	1 lb.	2.0	2.0	2.4	4.5	4.5	5.3	2.5	2.5	2.9	44	44	45
Corn meal	1.5 lb. corn	1 lb.	1.8	1.7	2.1	5.0	4.3	4.8	3.2	2.6	2.7	36	40	44
Rollod oats	1.78 lb. oats	1 lb.	1.9	2.0	2.6	7.4	7.2	8.6	5.5	5.2	6.0	26	28	30
Corn flakes	1.275 lb. corn	8-oz. package	1.6	1.5	1.8	7.8	7.1	7.1	6.2	5.6	5.3	21	21	25
Wheat cereal	2.065 lb. wheat	28-oz. package	2.9	2.9	3.5	24.3	23.5	24.0	21.4	20.6	20.5	12	12	15
Rice	1.51 lb. rough rice	1 lb.	2.5	3.6	5.5	8.2	8.7	12.1	5.7	5.1	6.6	30	41	45
Macaroni	1.72 lb. durum wheat	1 lb.	2.3	2.1	2.7	15.0	13.8	14.2	12.7	11.7	11.5	15	15	19
Apples	1/48-bushel	1 lb.	1.9	2.0	2.8	5.5	5.4	6.9	3.6	3.4	4.1	35	37	41
Oranges	1/17 box	1 dozen	9.3	8.6	11.0	31.5	31.0	35.7	22.2	22.4	24.7	30	28	31
Beans, green	1/30-bushel	1 lb.	3.5	4.6	5.3	11.4	13.2	14.9	7.9	8.6	9.6	31	35	36
Cabbage	1 lb.	1 lb.	0.8	1.0	0.8	3.8	4.2	4.3	3.0	3.2	3.5	21	24	19
Carrots	1/55-bushel	1 bunch	1.0	1.2	1.9	5.4	5.8	7.4	4.4	4.6	5.5	19	21	26
Lettuce	1/48 crate	1 head	3.1	3.5	5.3	8.8	9.5	12.0	5.7	6.0	6.7	35	37	44
Onions	1 lb.	1 lb.	1.1	1.9	1.8	4.2	5.1	5.9	3.1	3.2	4.1	26	37	31
Potatoes, white	1 lb.	1 lb.	1.2	1.1	1.8	2.5	2.4	3.4	1.3	1.3	1.6	48	46	53
Potatoes, sweet	1/55-bushel	1 lb.	1.5	1.7	2.0	4.4	5.1	5.8	2.9	3.4	3.8	34	33	34
Spinach	1/18-bushel	1 lb.	2.3	2.7	3.3	7.1	7.3	9.0	4.8	4.6	5.7	32	37	37
Peaches, canned	1.87 lb. clingstone	No. 2-1/2 can	2.4	3.2	5.6	18.7	18.6	23.6	16.3	15.4	18.0	13	17	24
Green beans, canned	.88 lb.	No. 2 can	2.0	2.1	2.8	11.4	10.9	13.7	9.4	8.8	10.9	18	19	20
Corn, canned	3.2 lb. sweet corn	No. 2 can	1.6	1.5	1.8	11.9	11.4	13.0	10.3	9.9	11.2	13	13	14
Peas, canned	.877 lb.	No. 2 can	2.2	2.1	2.5	15.6	13.6	15.2	13.4	11.5	12.7	14	15	16
Tomatoes, canned	2.3 lb.	No. 2 can	1.4	1.6	2.0	9.3	9.1	11.7	7.9	7.5	9.7	15	18	17
Prunes	1 lb.	1 lb.	3.0	3.1	7.0	9.9	9.8	13.3	6.9	6.7	6.3	30	32	53
Navy beans	1 lb. dry beans	1 lb.	3.5	3.8	4.7	6.9	7.4	9.0	3.4	3.6	4.3	51	51	52
Beet sugar	6.9 lb. sugar beets for 1941	1 lb.	1.8	1.8	2.2	5.8	6.0	7.2	4.0	4.2	5.0	31	30	31
	6.9 lb. sugar beets for 1942													
Cane sugar	13.0 lb. sugarcane for 1941	1 lb.	2.0	1.7	2.6	5.5	5.7	6.8	3.8	4.0	4.2	36	30	38
	13.1 lb. sugarcane for 1942													
Peanut butter	1.73 lb. peanuts	1 lb.	6.1	7.0	10.1	19.3	18.4	26.0	13.2	11.4	15.9	32	38	39
58 foods combined	Annual family consumption	Annual family consumption	\$ 141	\$ 164	\$ 209	\$ 332	\$ 342	\$ 398	\$ 191	\$ 178	\$ 189	42	48	53

Retail prices from U. S. Bureau of Labor Statistics.

Table 3.- Annual family purchases of 58 foods 1/

Year and month	Cost at : retail	Paid to : farmers	Marketing 2/ : margin 2/	Farmer's share of : retail value 2/
	Dollars	Dollars	Dollars	Percent
1913-15 average	256	135	121	53
1920	514	272	242	53
1929	415	195	220	47
1935-39 average	332	141	191	42
1940	314	132	182	42
1941	342	164	178	48
1942	398	209	189	53
1941 - Dec.	366	189	177	52
1942 - Jan.	378	194	185	51
Feb.	381	194	187	51
Mar.	384	195	187	51
Apr.	386	201	184	52
May	392	202	191	52
June	398	203	195	51
July	401	208	193	52
Aug.	402	215	187	53
Sept.	405	216	189	53
Oct.	414	224	190	54
Nov.	418	227	191	54
Dec.	423	234	189	55

1/ Important food products produced by American farmers combined in quantities representing annual purchase by a typical workingman's family.

2/ Revised for months of 1942.

Retail price averages for 51 cities from U. S. Bureau of Labor Statistics.

Table 4.- Nonfarm family income and cost of family food purchases for selected periods 1/

Year and average	Family : income : 2/	Retail cost : of all : foods	Retail cost : of 58 : foods	Food cost as percent- : age of income : All foods:58 foods
	Dollars	Dollars	Dollars	Percent Percent
1920	1,858	688	514	37 28
1929	1,978	540	415	27 21
1933,	1,108	343	264	31 24
1935-39 average	1,507	408	332	27 22
1941	1,957	430	342	22 17
1942	2,322	505	398	22 17

1/ The estimates and percentages shown endeavor to measure the cost each year of a fixed quantity of food purchased per family (as shown by the Bureau of Labor Statistics cost-of-living survey for 1917-19), expressed as a percentage of a "family income" which is the average family income found by the same 1917-19 survey adjusted from year to year by changes in per capita nonfarm income payments. These figures do not purport to show the actual share of income spent for food in any one of the years shown, but do show the share which would have been required to purchase the same quantities of food bought in 1918, assuming that the family income had changed since 1918 in the same proportion as per capita nonfarm income payments. Work is in progress on a complete revision of these estimates, using a more recent base period and incorporating other improvements, which should appear in the next issue of this report. 2/ Slightly revised.

Table 5 .- Price spreads between the farmer and the consumer - food products,
December 1942

Retail commodity	Table No.	Retail Unit	Price	Farm equivalent Quantity	Value	Actual margin	Farm value as per centage of retail price
			Cents		Cents	Cents	Percent
Pork products.....	11	1 lb. prin. pork products	30.6	1.90 lb. live hog	25.2	5.4	82
Dairy products....	12	100 lb. milk equivalent	428.3	100 lb. milk equivalent	2/245.3	183.0	57
Hens.....	13	1 lb.	43.1	1.11 lb.	22.8	20.3	53
Eggs.....	14	1 doz.	59.3	1 doz.	39.7	19.6	67
White flour.....	15	1 lb.	5.6	1.41 lb. wheat	2.6	3.0	46
White bread	16	1 lb.	8.6	.97 lb. wheat	1.8	6.8	21
Corn meal.....	17	1 lb.	5.2	1.5 lb. corn	2.1	3.1	40
Rolled oats.....	18	1 lb.	8.8	1.78 lb. oats	2.6	6.2	30
Corn flakes.....	19	8-oz. pkg.	7.0	1.275 lb. corn	1.8	5.2	26
Wheat cereal.....	20	28-oz. pkg.	24.1	2.065 lb. wheat	3.8	20.3	16
Rice	21	1 lb.	12.5	1.51 lb. rough rice	5.4	7.1	43
Navy beans.....	22	1 lb.	9.2	1 lb. dry beans	5.1	4.1	55
Oranges.....	24	1 doz.	44.0	1/17 box	17.3	26.7	39
Potatoes.	25	1 lb.	3.5	1 lb.	1.9	1.6	54
Apples	35	1 lb.	7.1	1 lb.	3.0	4.1	42
Lamb products....	37	1 lb. prin. lamb cuts	35.8	2.16 lb. live lamb	27.0	8.8	75
Sweetpotatoes....	38	1 lb.	5.8	1 lb.	2.0	3.8	34
Rye bread.....	39	1 lb.	9.2	.39 lb. rye & .64 lb. wheat	1.6	7.6	17
Whole wheat bread:	40	1 lb.	10.0	.92 lb. wheat	1.7	8.3	17
Macaroni.....	41	1 lb.	14.2	1.72 lb. durum wheat	2.9	11.3	20
Soda crackers....	42	1 lb.	16.8	1.085 lb. wheat	2.0	14.8	12
Peanut butter....	44	1 lb.	29.8	1.73 lb. peanuts	10.7	19.1	36
58 foods combined	8	Annual family consumption	\$423	Annual family consumption	\$234	\$189	55

1/ Table numbers refer to numbering in original 1936 report and annual supplements entitled "Price Spreads Between the Farmer and the Consumer."

2/ Preliminary.

Retail prices from the United States Bureau of Labor Statistics.

Table 6 .- Price spreads between the farmer and the consumer - food products, retail price and farm value, December 1942

Commodity	Retail unit	Retail price			Percentage : change to : : : 1935-39: Dec. : Nov. : Dec. : 1942 from- : average: 1941 : 1942 : Dec. : Nov. :	Farm equivalent	Farm value			Percentage : change to : : : 1935-39: Dec. : Nov. : Dec. : 1942 from- : average: 1941 : 1942 : Dec. : Nov. :					
		: : :					: : :								
		: 1935-39: Dec. : Nov. : Dec. : 1942 from- : average: 1941 : 1942 : Dec. : Nov. :	: 1935-39: Dec. : Nov. : Dec. : 1942 from- : average: 1941 : 1942 : Dec. : Nov. :				: 1935-39: Dec. : Nov. : Dec. : 1942 from- : average: 1941 : 1942 : Dec. : Nov. : : : : : ~ : ~ : ~ : ~ : ~ : ~ : ~ : : : : : ~ : ~ : ~ : ~ : ~ : ~ : ~ :			: 1935-39: Dec. : Nov. : Dec. : 1942 from- : average: 1941 : 1942 : Dec. : Nov. : : : : : ~ : ~ : ~ : ~ : ~ : ~ : ~ :			: 1935-39: Dec. : Nov. : Dec. : 1942 from- : average: 1941 : 1942 : Dec. : Nov. : : : : : ~ : ~ : ~ : ~ : ~ : ~ : ~ :		
Cents	Cents	Cents	Percent	Cents	Cents	Cents	Percent	Cents	Cents	Cents	Percent	Cents	Cents	Cents	Percent
Food products.....															
Pork products.....															
1 lb. prin.pork															
products															
100 lb. milk equiv.															
1 lb.															
Eggs.....															
1 doz.															
White flour.....															
1 lb.															
White bread.....															
1 lb.															
Corn meal.....															
1 lb.															
Rolled oats.....															
1 lb.															
Corn flakes.....															
8-oz. pkg.															
Wheat cereal.....															
28-oz. pkg.															
Rice.....															
1 lb.															
Navy beans.....															
1 lb.															
Oranges.....															
1 doz.															
Potatoes.....															
1 lb.															
Apples.....															
1 lb.															
Lamb products.....															
1 lb. prin.lamb cuts															
Sweetpotatoes.....															
1 lb.															
Rye bread.....															
1 lb.															
Whole wheat bread.....															
1 lb.															
Macaroni.....															
1 lb.															
Soda crackers.....															
1 lb.															
Peanut butter.....															
1 lb.															
58 foods															
Annual family															
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Retail prices are 51-city averages as published by the United States Bureau of Labor Statistics - Farm values are calculated from U. S. average farm price.

1/ Less than 0.5 percent

2/ Revised

3/ Preliminary

Table 7 .- Price spreads between the farmer and the consumer - food products; margins, and farm value as percentage of retail price, December 1942

Commodity	Retail unit	Margin		Percentage		Farm value as percentage of retail value	
		:		:		:	
		:		:		:	
		Cents	Cents	Cents	Percent	Percent	Percent
		Dec. : 1935-39: average: 1941 : 1942	Nov. : 1942 : 1942	Dec. : 1935-39: average: 1941 : 1942	Nov. : 1942 : 1942	Dec. : 1935-39: average: 1941 : 1942	Nov. : 1942 : 1942
		Cents	Cents	Cents	Percent	Percent	Percent
Pork products	: 1 lb. prin. pork	9.6	5.9	4.8	5.4	- 8	+ 12
Dairy products	: products						
Hens	: 100 lb. milk equiv.	178.0	186.5	1/186.7	2/183.0	- 2	- 2
Eggs	: 1 lb.	15.2	14.6	20.9	20.3	+39	- 3
	: 1 doz.	14.3	14.9	20.1	19.6	+32	- 2
White flour	: 1 lb.	2.5	2.5	3.0	3.0	+20	0
White bread	: 1 lb.	6.9	6.8	6.9	6.8	0	- 1
Corn meal	: 1 lb.	3.2	2.6	3.1	3.1	+19	0
Rolled oats	: 1 lb.	5.5	5.1	6.3	6.2	+22	- 2
Corn flakes	: 8-oz. pkg.	6.2	5.6	5.3	5.2	- 7	- 2
Wheat cereal	: 28-oz. pkg.	21.4	20.4	20.5	20.3	3/	- 1
Rice	: 1 lb.	5.7	4.6	7.7	7.1	+54	- 8
Navy beans	: 1 lb.	3.4	3.6	4.1	4.1	+14	0
Oranges	: 1 doz.	22.2	23.2	1/32.2	26.7	+15	- 17
Potatoes	: 1 lb.	1.3	1.3	1.6	1.6	+23	0
Apples	: 1 lb.	3.6	3.3	4.1	4.1	+24	0
Lamb products	: 1 lb. prin. lamb cuts	11.0	7.3	9.4	8.8	+21	- 6
Sweet potatoes	: 1 lb.	2.9	2.8	3.3	3.8	+36	+ 15
Rye bread	: 1 lb.	7.8	7.6	7.7	7.6	0	- 1
Whole wheat bread	: 1 lb.	8.0	8.3	8.4	8.3	0	- 1
Macaroni	: 1 lb.	12.7	11.4	11.4	11.3	- 1	- 1
Soda crackers	: 1 lb.	15.4	13.5	14.7	14.8	+10	+ 1
Peanut butter	: 1 lb.	13.2	11.7	18.7	19.1	+63	+ 2
58 foods combined	: Annual family consumption	\$191	\$177	\$191	2/\$189	+ 7	- 1
					42	50	54

1/Revised. 2/Preliminary. 3/Less than 0.5 of 1 percent.

Table 8 .- Farm products: Indexes of prices at several levels of marketing,
1935-39 = 100

Year and month	:	Foods				Fibers		Whole-		:
		Cost	:	:	:	Whole-	Farm	sale	Farm	
		of	Retail:	Farm	Retail:	sale	prices:	prices:	prices:	
		living:	prices:	Whole-	prices:	prices:	of	of	of	
		of	of	sale	of	of	cotton:	all	all	
		city	all	prices:	58	cloth-	textile:	and	farm	pro-
		fa-	foods	:	foods	ing	pro-	wool	pro-	ducts
		milies:	:	:	:	ducts	:	ducts	:	:
		1/	1/	2/	3/	1/	2/	4/	2/	3/
		3/								
1913	:	71	80	81	95	69	81	111	94	95
1914	:	72	82	82	97	70	77	97	94	95
1916	:	78	91	96	110	78	99	131	111	111
1918	:	108	134	151	174	128	193	281	195	190
1920	:	143	169	174	193	201	232	282	198	199
1929	:	122	132	126	138	115	127	167	138	137
1932	:	98	86	77	62	91	77	55	63	61
1935	:	98	100	106	98	97	100	109	104	102
1936	:	99	101	104	108	98	101	114	106	107
1937	:	103	105	108	113	103	107	111	114	114
1938	:	101	98	93	92	102	94	81	90	89
1939	:	99	95	89	89	100	98	85	86	88
1940	:	100	97	90	94	102	104	97	89	92
1941	:	105	105	105	116	106	119	131	108	115
1939 -Aug.	:		94	85	85		96	85	80	83
Sept.	:	101	98	95	95	100	101	91	90	92
1940 -Jan.	:		95	91	94		110	101	91	93
Mar.	:	100	96	89	91	102	104	99	89	91
July	:		97	89	91		102	96	88	89
1941 -Nov.	:	110	113	113	130	114	128	154	119	127
Dec.	:	110	113	114	134	115	129	157	125	135
1942 -Jan.	:	112	116	119	138	116	132	164	133	140
Feb.	:	113	117	120	138	119	134	171	133	137
Mar.	:	114	119	122	5/138	124	136	174	135	137
Apr.	:	115	120	125	143	126	138	183	138	141
May	:	116	122	125	143	126	138	184	137	143
June	:	116	123	126	5/144	125	137	176	137	143
July	:	117	125	125	148	125	137	178	139	142
Aug.	:	118	126	127	5/152	125	137	174	140	152
Sept.	:	118	127	130	5/153	126	137	179	142	151
Oct.	:	119	130	131	5/160	126	137	182	143	156
Nov.	:	120	5/131	5/131	5/162	126	137	5/184	145	158
Dec.	:	120	6/133	6/132	6/166	126	137	6/187	150	170

1/ From "Changes in Cost of Living" Bureau of Labor Statistics.

2/ Calculated from figures of the Bureau of Labor Statistics.

3/ Based on figures published by the United States Department of Agriculture.

4/ Cotton and wool prices weighted by production in the period 1935-39.

5/ Revised.

6/ Preliminary estimate.

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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